

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 47 Transportation

Subject: 47.6 Preference for U.S.-Flag Carriers and Vessels

PURPOSE: This standard practice (SP) describes the requirements for using U.S.-flag air carriers and commercial vessels where available.

POLICY: The Laboratory will ensure that international transportation of government and University personnel and property is provided by U.S.-flag air carriers or commercial vessels where available.

SCOPE: This SP applies to all subcontracts exceeding the small purchase threshold that may involve international transportation.

Exceptions This SP does not apply to subcontracts for commercial items unless:

- The subcontract is for ocean transportation services or construction.
- The supplies being transported by commercial vessel are:
 - Items the subcontractor is reselling or distributing to the University without adding value (generally, the subcontractor does not add value to the items when it subcontracts items for F.O.B. University-Destination shipment), or
 - Shipped in direct support of the U.S. military contingency operations, exercises, or forces deployed in connection with United Nations or North Atlantic Treaty Organization humanitarian or peacekeeping operations.

See SP 2.1, *Definitions of Words and Terms – General*, for the definition of commercial item.

PROCEDURES:

Subcontract Provisions The clauses listed below must be included in all subcontracts involving the transportation of Government and University personnel and property between the United States and a foreign country or between foreign countries.

Disallowing Costs The Laboratory must disallow expenditures associated with foreign-flag carriers unless the subcontractor provides a written certificate or memorandum adequately explaining why service by U.S.-flag carriers was not available or why it was necessary to use foreign-flag carriers.

Guidance For further information and guidance regarding use of U.S.-flag and foreign-flag carriers, contact the Transportation Specialist.

RESPONSIBILITIES:

Procurement The procurement specialist must ensure that:

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Specialist

- Subcontractors use U.S.-flag carriers where available and
- Invoiced costs for transportation by foreign-flag carriers are adequately justified by the subcontractor before payment.
- The appropriate clauses are included in all subcontracts involving the transportation of Government and University personnel and property between the United States and a foreign country or between foreign countries.

CLAUSES:

Include the terms of Prime Contract Clause I.52, *Preference for U.S.-Flag Air Carriers* (FAR 52.247-63) (JUN 2003) in all solicitations and subcontracts exceeding the small purchase threshold that may involve international air transportation, as described under *Scope, Exceptions*, above..

Include the terms of Prime Contract Clause I.53, *Preference for Privately Owned U.S.-Flag Commercial Vessels* clause (FAR 52.247-64) (APR 2003) in all solicitations and subcontracts exceeding the small purchase threshold, except as described under *Scope, Exceptions*, above.

REFERENCES:

Prime Contract Clause I.50, Subcontracts for Commercial Items
Prime Contract Clause I.52 - Preference for U.S.-Flag Air Carriers
Prime Contract Clause I.53 - Preference for Privately-Owned U.S.-Flag Commercial Vessels